

Legal Assistance Resource Center

❖ of Connecticut, Inc. ❖

80 Jefferson Street ❖ Hartford, Connecticut 06106-5035
(860) 278-5688 ❖ FAX (860) 278-2957

Testimony before the Public Health Committee in support of SB 1, An Act Increasing Access To Affordable, Quality Health Care

by Jane McNichol, Executive Director
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I am Jane McNichol, Executive Director of the Legal Assistance Resource Center of Connecticut, the advocacy and support center for legal services programs in the state. We represent the interests of very-low income residents of the state. I am also here as one of the convenors of the Medicaid/SAGA Strategy Group, a group of advocates and providers formed in 2003 in response to major cuts in programs providing health care for low-income residents of the state. Over the past three years, the Medicaid/SAGA Strategy Group has work together to restore and improve public programs which provide health care to low-income families and individuals.

I want first to enthusiastically support the purpose of SB1 - to ensure that all Connecticut residents have access to affordable, quality health care. Second, I want to applaud the thoughtful plans to achieve this goal that have been proposed. Virtually all of these plans rely heavily on the existing public health programs, particularly **Medicaid, including HUSKY A, Connecticut's SCHIP program (HUSKY B) and SAGA (State Administered General Assistance).**

These programs must be the foundation of any serious, comprehensive health care plan because:

- a) they provide health care coverage for very low-income residents of the state who do not have access to the private health care market and
- b) in the case of Medicaid and HUSKY, the federal government provides significant matching funds to support these programs. Using these programs as much as possible relieves the state of some of the costs of these programs.

But simply expanding these programs as much as possible will not increase access to health care. In fact, expanding eligibility may increase coverage but decrease access. These programs are seriously flawed: coverage is limited and the limits are hard to understand, access is complicated and payments to providers are so low that few participate. A recent survey by Mercer Government Human Services Consulting, presented to the Medicaid Managed Care Council in November, found that 3 out of 4 new HUSKY participants could not schedule appointments for health care.

The Connecticut Health First Initiative addresses many of these access issues. Coverage is expanded through:

- **raising the HUSKY A income limits for parents and relative caregivers to 185% of the federal poverty level.** This change also makes the program easier to administer by matching the parental income limit for HUSKY A to the limit for children. Currently, children are covered under HUSKY A up to 150% of the federal poverty level while

coverage of parents is limited to parents in families with incomes at 150% of the federal poverty level.

- **increasing the eligibility limits for the SAGA medical program to 100% of the federal poverty level** (about \$10,000 for a single person under the recently released 2007 standards). Currently, the income limit is set at just under \$6,000 per year.

Other important ways to expand coverage and maximize the federal government's support of health care in Connecticut include opening Medicaid to:

- **pregnant women with incomes up to 300% of the federal poverty level**
- **people who are elderly and/or disabled with incomes up to 185% of the federal poverty level**, through an income disregard for purposes of qualifying for Medicaid only

In the Connecticut Health First Initiative, access to the Medicaid/HUSKY program is improved through:

- **raising provider rates** to match the rates paid in the Medicare program
- raising dental provider rates to 70% of usual and customary rates
- restoring Continuous Eligibility for children in the HUSKY program so children do not cycle on and off the program as parental income fluctuates during the year.
- increasing outreach efforts in HUSKY

Access to the SAGA program should also be addressed through raising rates. The community health centers should be reimbursed at 100% of their Medicaid reimbursement rate for care of SAGA participants. Hospitals caring for SAGA participants should be reimbursed at the Medicare rate.

All these important changes will improve the Medicaid, HUSKY and SAGA programs and thereby provide a better base for a universal health care system. But they will not cover all the uninsured residents of the state. **A more comprehensive program that addresses, in particular, coverage of low-wage workers is needed.** 73% of non-elderly families without health insurance have at least one family member who is working full-time (Uninsured: The Costs and Consequences of Living without Health Insurance in Connecticut, Connecticut Center for Economic Analysis study for the Universal Health Care Foundation of Connecticut).

As we design and implement that system, we need to be careful to maintain strong Medicaid, HUSKY and SAGA programs to meet the needs of the very low-income people in the state. Proposed plans to achieve universal coverage and access raise some concerns about the impact on public programs. In particular:

Waivers - Many proposals rely on expanded Medicaid or SCHIP funding from the federal government, which would be accessed by obtaining waivers to cover groups not currently covered in Connecticut. The "price" of a waiver from the Bush administration has often been a limit on the federal Medicaid funding that was available to the state obtaining a waiver (capped funding instead of an unlimited match). Other waivers have included cutbacks on health care services now guaranteed (although not always delivered) to Medicaid enrollees or permission to the state to adopt a more limited set of Medicaid benefits for current participants. Under current Connecticut practice, a waiver can be initiated and negotiated by the state administration without legislative approval. **Before pursuing waivers, we should**

specify the limits of what is negotiable and establish in statute a review process that includes opportunities for public comment and legislative approval.

Maintaining Current Coverage for Medicaid and SAGA - Any new plan should provide mechanisms to ensure that the coverage provided to Medicaid, HUSKY and SAGA participants is at least equal to the services they are entitled to now. Many proposals to cover more residents include the creation of a large state pool with a standard benefit package. Medicaid, HUSKY and SAGA participants would be part of this pool. A standard package would almost certainly not provide the coverage that is guaranteed under Medicaid, particularly to children in HUSKY A. A major benefit of universal health care proposals for Medicaid and SAGA participants could be access to a broader provider network and increased payments to providers. But this improvement should not come at the cost of needed services.

Wraparound Services - In order to assure that there is no cutback in services currently available under Medicaid, many models propose that additional services would be provided through a "wraparound" system if services which are currently available are not part of a standard package. Wraparound programs are problematic unless they are seamless for the covered individual. We should avoid a system in which people can get some but not all services from one provider, or have to apply for and carry more than one insurance card.

Cost Sharing (premiums and co-pays) - Legislators and advocates have worked hard to ensure that poor residents of Connecticut, particularly those relying on Medicaid, including HUSKY A, and SAGA are not subject to co-pays or premiums. Research has shown that even minimal cost-sharing requirements result in lack of coverage for poor people. These protections for low-income residents should continue.

Standard Packages, Mandates, Oral Health and Behavioral Health Coverage - If a standard coverage package for a state pool is created, existing state mandates for low-income residents should be maintained. Coverage of oral health and behavioral health issues are often excluded or limited in "standard" packages and transportation services are never part of a standard benefit package. Coverage for oral and behavioral health care is very important and poor people will not be in a position to supplement standard coverage, if these are excluded, or pay for transportation if that is not provided. Connecticut has also enacted good mental health parity requirements which should continue.

Immigrant Coverage - Connecticut, to its credit, has provided coverage for legal immigrants who are excluded from the federal Medicaid program in a state-funded program that parallels Medicaid and has made SAGA coverage available to documented immigrants. This coverage should continue. Increasingly, the health care system is also required to provide services to undocumented immigrants as well. A comprehensive health care system should not ignore this growing need in the state.

In closing, I want to thank the members of the Committee for taking on the important work of ensuring health care coverage for all residents of Connecticut. As you continue this work, the Medicaid/SAGA Strategy Group and the Legal Services network in the state are ready to be resources in the areas that we know best - the delivery of health care services to low-income people and strategies for maximizing federal support for state health care programs.

